

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION

THE UNITED STATES OF AMERICA,

Plaintiff,

CRIMINAL NO. 06-20248

v.

HON. JOHN CORBETT O'MEARA

D-1 TALAL KHALIL CHAHINE,

VIO. 26 U.S.C. § 7201

Defendant.

**FILED**

MAY 30 2007

CLERK'S OFFICE-DETROIT-PSG  
U.S. DISTRICT COURT

**FIRST SUPERSEDING INDICTMENT**

THE GRAND JURY CHARGES:

**General Allegations**

TALAL KHALIL CHAHINE, defendant herein, is and was at all times material to this Indictment the sole owner of La Shish, Inc., a Middle Eastern restaurant chain located in the metropolitan Detroit, Michigan area. TALAL KHALIL CHAHINE personally oversaw the handling and disposal of cash receipts and negotiable instruments for La Shish, Inc., as well as the company's computerized books, records and balance reports.

At the direction of TALAL KHALIL CHAHINE, La Shish, Inc. maintained a double set of computerized books, records and balance reports, one actual and one

altered. The altered books, records and balance reports artificially reduced the amount of income in the form of cash that was actually received by the restaurants. To evade government scrutiny, TALAL KHALIL CHAHINE also directed that La Shish, Inc. fail to deposit a substantial amount of cash receipts from the restaurants. Instead, TALAL KHALIL CHAHINE had La Shish, Inc. employees convert millions of dollars into cashier's checks and also change denomination size from smaller denominations into larger denominations. These conversions were made for the purpose of transporting the cash outside the United States to Lebanon, away from government reach and detection. TALAL KHALIL CHAHINE also skimmed cash by paying employees of La Shish, Inc. all or partly in cash.

**COUNT ONE: Income Tax Evasion**  
**26 U.S.C. § 7201**

**D-1 TALAL KHALIL CHAHINE**

1. The general allegations are hereby repeated and incorporated herein by reference.
2. From on or about January 1, 2000 through on or about October 13, 2001, within the Eastern District of Michigan, Southern Division, TALAL KHALIL CHAHINE, defendant herein, did willfully attempt to evade and defeat a large part of the income tax due and owing by TALAL KHALIL CHAHINE to the United States of America for the calendar year 2000, by preparing and causing to be prepared, and by signing and causing to be signed, a false and fraudulent U.S.

Individual Income Tax Return, Form 1040, which was filed with the Internal Revenue Service, wherein he understated his income by approximately \$4,093,846, upon which additional unreported income there was owing to the United States of America an additional unpaid income tax of approximately \$1,654,167, all in violation of Title 26, United States Code, Section 7201.

**COUNT TWO: Income Tax Evasion  
26 U.S.C. § 7201**

**D-1 TALAL KHALIL CHAHINE**

1. The general allegations are hereby repeated and incorporated herein by reference.
2. From on or about January 1, 2001 through on or about July 27, 2002, within the Eastern District of Michigan, Southern Division, TALAL KHALIL CHAHINE, defendant herein, did willfully attempt to evade and defeat a large part of the income tax due and owing by TALAL KHALIL CHAHINE to the United States of America for the calendar year 2001, by preparing and causing to be prepared, and by signing and causing to be signed, a false and fraudulent U.S. Individual Income Tax Return, Form 1040, which was filed with the Internal Revenue Service, wherein he understated his income by approximately \$4,581,669, upon which additional unreported income there was owing to the United States of America an additional unpaid income tax of approximately \$1,845,175, all in violation of Title 26, United States Code, Section 7201.

**COUNT THREE: Income Tax Evasion**  
**26 U.S.C. § 7201**

D-1 TALAL KHALIL CHAHINE

1. The general allegations are hereby repeated and incorporated herein by reference.

2. From on or about January 1, 2002 through on or about November 2, 2003, within the Eastern District of Michigan, Southern Division, TALAL KHALIL CHAHINE, defendant herein, did willfully attempt to evade and defeat a large part of the income tax due and owing by TALAL KHALIL CHAHINE to the United States of America for the calendar year 2002, by preparing and causing to be prepared, and by signing and causing to be signed, a false and fraudulent U.S. Individual Income Tax Return, Form 1040, which was filed with the Internal Revenue Service, wherein he understated his income by approximately \$4,735,385, upon which additional unreported income there was owing to the United States of America an additional unpaid income tax of approximately \$1,865,710, all in violation of Title 26, United States Code, Section 7201.

**COUNT FOUR: Income Tax Evasion**  
**26 U.S.C. § 7201**

D-1 TALAL KHALIL CHAHINE

1. The general allegations are hereby repeated and incorporated herein by reference.

2. From on or about January 1, 2003 through on or about April 15, 2004,

within the Eastern District of Michigan, Southern Division, TALAL KHALIL CHAHINE, defendant herein, did willfully attempt to evade and defeat income tax in the approximate amount of \$1,559,393 due and owing by him to the United States of America for the calendar year 2003, by failing to make an income tax return on or before April 15, 2004, as required by law, to any proper officer of the Internal Revenue Service, by failing to pay to the Internal Revenue Service said income tax, and by concealing and attempting to conceal from the United States of America his true and correct income and the nature and extent of his assets and the location thereof, all in violation of Title 26, United States Code, Section 7201.

**COUNT FIVE: Income Tax Evasion**  
**26 U.S.C. § 7201**

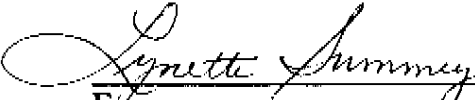
**D-1 TALAL KHALIL CHAHINE**

1. The general allegations are hereby repeated and incorporated herein by reference.

2. From on or about January 1, 2004 through on or about April 15, 2005, within the Eastern District of Michigan, Southern Division, TALAL KHALIL CHAHINE, defendant herein, did willfully attempt to evade and defeat income tax in the approximate amount of \$1,077,567 due and owing by him to the United States of America for the calendar year 2004, by failing to make an income tax return on or before April 15, 2005, as required by law, to any proper officer of the Internal Revenue Service, by failing to pay to the Internal Revenue Service said income tax,

and by concealing and attempting to conceal from the United States of America his true and correct income and the nature and extent of his assets and the location thereof, all in violation of Title 26, United States Code, Section 7201.

A TRUE BILL.

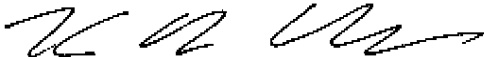
  
Foreperson

Dated: 5-30-07

STEPHEN J. MURPHY  
United States Attorney



BARBARA L. MCQUADE  
Deputy Chief, National Security Unit



KENNETH R. CHADWELL  
Assistant United States Attorney



JULIE A. BECK  
Assistant United States Attorney

Ken Chadwell, AUSA, (313) 226-9698

United States District Court  
Eastern District of Michigan**Criminal Case Cover Sheet****Case Number**  
06-20248

NOTE: It is the responsibility of the Assistant U.S. Attorney signing this form to complete it accurately in all respects.

**Companion Case Information****Companion Case Number:** 06-20248This may be a companion case based upon LCrR 57.10 (b)(4)<sup>1</sup>:**Judge Assigned:** John Corbett O'Meara☐ Yes☒ No**AUSA's Initials:**

KRC

**FILED****Case Title:** USA v. D-1 TALAL KHALIL CHAHINE

MAY 30 2007

**County where offense occurred :**

Wayne

CLERK'S OFFICE-DETROIT-PSG  
U.S. DISTRICT COURT**Check One:**☒ **Felony**☐ **Misdemeanor**☐ **Petty**☐ Indictment/ ☐ Information --- no prior complaint.☐ Indictment/ ☐ Information --- based upon prior complaint [Case number: 06-20248]☐ Indictment/ ☐ Information --- based upon LCrR 57.10 (d) [Complete Superseding section below].**Superseding Case Information:****Superseding to Case No:** 06-20248**Judge:** JOHN CORBETT O'MEARA

- ☐ Original case was terminated; no additional charges or defendants.
- ☐ Corrects errors; no additional charges or defendants.
- ☐ Involves, for plea purposes, different charges or adds counts.
- ☒ Embraces same subject matter but adds the additional defendants or charges below:

**Defendant name****Charges**

D-1 Talal Khalil Chahine

26 U.S.C. § 7201

Please take notice that the below listed Assistant United States Attorney is the attorney of record for the above captioned case.

May 30, 2007

Date

KENNETH R. CHADWELL

Assistant United States Attorney

211 W. Fort Street, Suite 2001

Detroit, MI 48226-3277

Phone: (313) 226-9725

Fax: (313) 226-4679

E-Mail address: Ken.Chadwell@usdoj.gov

<sup>1</sup> Companion cases are matters in which it appears that (1) substantially similar evidence will be offered at trial, (2) the same or related parties are present, and the cases arise out of the same transaction or occurrence. Cases may be companion cases even though one of them may have already been terminated.